

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) No, Sir.

(b) and (c) Does not arise.

(d) As compared to the year 1994-95 the utilisation in World Bank aided projects in the Agriculture, Water Supply & Sanitation, Power Transport & Telecommunication and Urban Development sectors has shown improvement in the year 1995-96. As far as States are concerned Maharashtra, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh have shown better performance during the same period.

(e) The Government has already taken a number of steps to further improve project implementation. These include ensuring adequate provisioning for external aided projects, release of Additional Central Assistance as 100% additionality, advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediation on flow of external aid to Central PSUs, Portfolio Rationalisation and setting up of project Monitoring Unit in the Department of Economic Affairs.

#### Irregularities in P.F.

4403. SHRIMATI SHEELA GAUTAM : Will the Minister of FINANCE be pleased to state :

(a) whether a number of irregularities are observed in the Centrally maintained Provident Fund Accounts of employees in Indian Overseas Bank at its Central Office, Madras;

(b) if so, the details thereof;

(c) the details of total amount lying as on December 31, 1996 uncredited/un-reconciled in Sundry Creditors relating to Provident Fund of large number of employees, and

(d) the reasons thereof and the steps taken by Government to remedy the situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) Indian Overseas Bank has reported that there are no such irregularities and no amount of Provident Fund of employees is lying in Sundry Creditors Accounts. However, Provident fund remittances of staff mostly relating to the months of September, 1996 to December, 1996 amounting to approximately Rs. 10.94 crores was in the process of re-conciliation and subsequent credit as on 31.12.96. Out of this, an amount of Rs. 6.03 crores has already been re-conciled and credited. The bank has further reported that the delay in re-conciliation is because of the routine time

lag needed for receipt of credits from 1450 branches all over the country and checking 26,000 credits (approximately) before crediting the correct amounts. The bank has added that it is their endeavour to reduce such delays.

[Translation]

#### Export of Textiles

4404. JUSTICE GUMAN MAL LODHA : PROF. PREM SINGH CHANDUMAJRA :

Will the Minister of TEXTILES be pleased to state :

(a) the percentage of cotton exported out of the total production of cotton in the country during each of the last three years;

(b) whether more foreign exchange can be earned by exporting yarn, cloth and readymade garments than that of cotton only.

(c) if so, the estimate in this regard and whether the Government have contemplated any policy to discourage the export of cotton and encourage the export of products made from it; and

(d) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) The percentage of cotton exported out of the total production of cotton during the last three years is given below :

Year	%
1993-94	3.20
1994-95	0.78
1995-96	7.36

(b) to (d) While it is generally advantageous to export value added items such as yarn, cloth, made-ups and garments, export of cotton is allowed only when there is likely availability of surplus cotton after taking into consideration all relevant factors, including estimates of production, availability, requirements for domestic consumption, price trend of cotton, etc. The Government tries to balance the interests of the cotton growers as well as the consuming sectors. The ceiling for exports of cotton yarn below 41s counts was raised from 80 million Kg. to 120 million Kg. in 1996.

[English]

#### Smuggling of Gold

4405. SHRI ANNASAHIB M.K. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have recently reviewed the policy in regard to import of Gold and measures initiated to check gold smuggling;

(b) if so, the details of the emerging trend over the last three years and results thereof;

(c) the estimated gold smuggled during the last three years;

(d) the details regarding projection of demand for the gold for the next five years; and

(e) the steps taken/proposed to meet the same ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Yes, Sir. The Government has recently reviewed the policy in regard to import of gold by issue of Notification No. 1/97-Cus dated 1/1/97 which increased the eligibility of returning NRIs to bring in gold from 5 kgs. to 10 kgs. This has resulted in reduction in smuggling as can be seen from the trend of seizure of smuggled gold. While the seizure in 1992 was 5 tonnes; the seizure in the last three years is about 1 tonne in a year.

(c) It has been estimated by some private agencies that quantity of gold smuggled into the country during the last three years is as under :

1994	118 tonnes
1995	130 tonnes
1996	105 tonnes

(d) and (e) The demand for gold in the country is generally expected to rise at the rate of 20% per annum and it is expected that the steps taken to permit increased import through NRIs and Special Import Licence would meet the same.

#### Bogus Business in LIC

4406. SHRI VIJAY KUMAR KHANDELWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that there are irregularities in the offices of LIC and bogus business is being done;

(b) if so, the number of complaints received from public and M.Ps in this regard;

(c) the details of the investigations made and result thereof; and

(d) the action taken against those who are found responsible ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) The Government have, from time to time, been receiving complaints regarding irregularities in the business carried on by LIC, including complaints of bogus business. The matter has also been raised in Parliament from time to time. Following a short duration discussion in Rajya Sabha on 26.8.95 on the subject of high lapsation and bogus policies in LIC, the Government appointed a Committee under the Chairmanship of Shri A.V. Ganesan, former Commerce Secretary to Govt. of India, to look into the alleged mal-practices and fake or bogus business in LIC. The findings of the Committee indicate that there does not seem to be a major reason or motivation for large number of LIC employees to indulge in the Sale of bogus policies. The Committee concluded that, based on the available data and on a broad judgement, about 3% of the total number of one crore policies currently being issued by LIC in a year are likely to entail malpractices of one kind or the other.

The complaints received by the Government from time to time, are taken up with LIC. LIC has also informed that the complaints received by it are examined and if warranted, disciplinary proceedings are launched against the concerned persons. During 1995-96, 22 such cases from public were registered for complaints of bogus insurance involving 9 agents, 13 Development Officers and 7 Class I Officers. As a result of the disciplinary proceeding in the above cases, agency of one agent has been terminated, one agent has been issued a warning and 6 Development Officers have been cautioned so far.

#### NABARD Loan to improve Roads and Bridges

4407. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state :

(a) whether the Karnataka Government had submitted a proposal to NABARD seeking loan to undertake projects aimed at improving roads and bridges;

(b) if so, the details thereof;

(c) whether the balance loan requested for is being released to Karnataka; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that Government of Karnataka had submitted several proposals seeking loan assistance under Rural Infrastructure Development Fund (RIDF)-II for projects relating to roads and bridges in various districts of the State. The details of sanctions made by NABARD are as under :